Italy

ECONOMY. The Italian economy has struggled with low growth rates for the last five years. Nascent signs of growth were quickly overshadowed by the downturn in Germany and elsewhere in Europe that placed a drag on Italy's economy. Income growth has kept pace with inflation, and unemployment has decreased to levels on par with Germany and France. Short-term expectations for the Italian economy mirror expectations for the Euro area in general; slow growth in 2002 with increasing growth in 2003.

EXCHANGE RATE. Transition to the Euro has been relatively uneventful, although significant declines in the dollar/lira exchange rate in the early 1990s hurt the permanent exchange rate of the lira/Euro. Nonetheless, the use of the Euro in Italy represents an improvement from the more volatile lira. However, because of the interconnected relationship between the large European economies and their inability to sustain growth in the wake of a US slowdown, the Euro has struggled against the U.S. dollar. Nonetheless, the Euro has recently risen to near parity with the U.S. dollar. If the equitable exchange rate is sustained, demand for U.S. travel should increase as the relative cost of travel to the U.S. declines.

LANGUAGE RESOURCES. A large majority of Italian travelers to the U.S. are repeat visitors from the upper income and education groups. English is widely spoken among these groups. Most travel is independent and Italians pride themselves on being able to travel without restrictions within the U.S.

TECHNOLOGY APTITUDE. Internet use in Italy, like in France, lags other developed European economies. However, unlike France, mobile telephones are popular and may represent the future of Internet access and use.

SEASONS & SEGMENTS. The typical Italian traveler to the U.S. is sightseeing in cities and touring the countryside. Many enjoy traveling independently and often combine major gateway cities with other high profile attractions such as national parks, historic places and cultural & heritage destinations. An overwhelming majority of Italians visiting Utah are touring the national parks.

HISTORIC VISITATION. Due to the unfavorable exchange rate in the early 1990s, visitation declined steadily from 1992 to 1996. In 1997, the number of U.S. arrivals from Italy jumped and has since stabilized. Italian arrivals to Utah have increased significantly since the early 1990s, perhaps a reflection of the repeat visitor to the U.S. exploring beyond the traditional destinations.

SOCIAL & POLITICAL FACTORS. A current trend among Italian travelers is to replace the traditional 2-week summer vacation with 2 shorter breaks. A major airport hub in Milan has opened new routes and brought more convenient access to many Italian travelers. Demand for travel to the U.S. was affected by the terrorist attacks on September 11th, although general perceptions about the U.S. are of a safe and convenient destination. Consequently, demand is expected to return quickly.

OLYMPIC INTEREST. The Italians maintain a high level of interest in winter sports, especially sledding sports and alpine skiing. With 12 medals in Salt Lake City, Italy has earned 89 Winter Olympic medals since 1924. Italy boasted an Olympic television audience of 37 million, although each viewer only watched about 2 hours of coverage. Additional interest in the Salt Lake City Games may have resulted from Torino's successful bid as the next host of the Olympic Winter Games. Interest in winter sports is high in Italy among a niche group of consumers. However, attracting a share of the winter recreation market is unlikely. The impact of the Olympics on future visitation will likely be tied to the ability to exploit the increased awareness into attention on the state's warm-weather recreational opportunities.

DISTRIBUTION INFRASTRUCTURE. Italian tour operators are unable to compete with their larger French and German competitors. Consequently, many have either consolidated or moved to become niche providers. Many travelers prefer to gather information from suppliers and then either customize an existing itinerary or plan their own. The largest tour operators in Italy in 2000 were Alpitours, Costa Crociere, and I Viaggi del Ventaglio. Many operators are extending their niche market appeal through the Internet, attracting larger numbers of potential travelers. The most important franchising travel networks are: GiraMondo Viaggi Franchising and Buon Viaggio SpA. In addition, several Internet-only agencies have entered the market in recent years including Edreams, Travelonline, and Lastminutetravel.

UTAH VISITORS FROM ITALY SUMMARY - 1997-1999*
Utah Division of Travel Development

DEMOGRAPHICS

AGE (years)	
Averare Age (mean)	38.7
18-34 Years	45%
35-54 Years	48%
55+ Years	8%

HOUSEHOLD INCOME ($US)	
Average HH Income	$65,200
< $40,000	36%
$40,000 - $80,000	37%
$80,000 - $120,000	14%
$120,000+	12%

PARTY COMPOSITION	
Avg. Travel Party (mean)	2.5
Spouse	37%
Family/Relatives	36%
Friends	25%
Tour Group	11%
Traveling Alone	8%
Business Associates	3%
Adults Only	84%
Adults and Children	16%

GENDER	
Men	76%
Women	24%

FREQUENT TRAVELERS	
Repeat Visitor to the U.S.	51%
U.S. Trips last 12 Months	1.3
U.S. Trips last 5 Years	2.8
1 Trip	56%
2 - 5 Trips	34%
5+ Trips	10%

OTHER DESTINATIONS VISITED	
# of States Visited	4.1
# of Destinations Visited	5.8
California	72%
San Francisco	56%
Los Angeles	50%
Yosemite N.P.	24%
Nevada	75%
Las Vegas	70%
Arizona	63%
Grand Canyon N.P.	49%
Phoenix	13%
New York	27%
New York City	27%
Wyoming	14%
Yellowstone N.P.	13%
Colorado	14%
Florida	11%

TRAVEL PATTERNS

ADVANCE TRIP DECISION	
Advance Trip Decision	89 Days
Advance Air Reservations	52 Days
Use of Pre-Booked Lodging	75%

USE OF PACKAGES	
YES	29%
Air/Lodging	20%
Air/Rental Car	16%
Guided Tour	13%
Air/Lodging/Rental Car	11%
Air/Lodging/Tour	9%
Air/Lodging/Bus	8%
Air/Lodging/Bus/Tour	8%
Advance Package Booking	57 Days
# of Nights Pre-paid as Part of a Package	15.2

INFORMATION SOURCES	
Travel Agency	81%
Friends/Relatives	23%
Travel Guides	20%
Newspapers/Magazines	14%
Personal Computer	14%
Airlines Directly	7%
Tour Company	4%
State/City Travel Office	4%
Other	7%

ACCOMMODATIONS	
Hotel/Motel	87%
Private Home	9%
Other	5%

TRANSPORTATION IN U.S.	
Rented Auto	83%
Airlines in U.S.	47%
Taxi/Cab/Limousine	35%
City Subway/Tram/Bus	23%
Company or Private Auto	12%
Bus Between Cities	8%
Other	4%

LENGTH OF STAY	
# of Nights In UT (mean)	2.3
# of Nights in US (mean)	17.9

UTAH DESTINATIONS VISITED	
Bryce Canyon N.P.	33%
Monument Valley	21%
Salt Lake City	20%
Zion N.P.	12%
Glen Canyon	3%

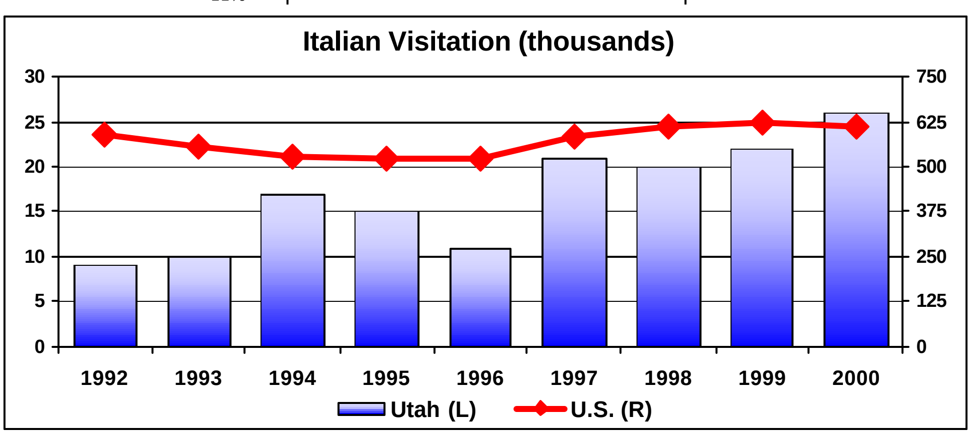
PURPOSE/ACTIVITIES

PURPOSE OF TRIP	
Leisure & VFR	92%
Leisure/Rec./Holidays	92%
Visit Friends/Relatives	1%
Business & Convention	8%
Business/Professional	5%
Convention/Conference	2%
Study/Teaching	1%

PORT OF ENTRY	
New York	32%
Los Angeles	20%
San Francisco	8%
Newark	8%
Maimi	8%

LEISURE ACTIVITIES	
Visit National Parks	93%
Shopping	83%
Dining in Restaurants	81%
Sightseeing in Cities	76%
Amusement/Theme Parks	64%
Visit Historic Places	60%
Visit Small Towns	57%
Visit Am. Indian Comm.	54%
Casinos/Gambling	50%
Touring Countryside	33%
Cultural or Heritage Sites	30%
Art Gallery/Museum	29%
Water Sports/Sunbathing	22%
Concert/Play/Musical	20%
Guided Tours	20%
Environ./Eco Excursions	14%
Ethnic Heritage Sites	12%
Camping/Hiking	11%
Nightclubs/Dancing	7%
Golfing/Tennis	5%
Attend Sports Event	4%
Ranch Vacations	4%
Cruises	2%
Hunting/Fishing	--
Snow Skiing	--

PERFORMANCE	
Total Int'l. Visitation (000s)	22
Market Share	3.5%
Avg. Spending Per-Visitor-Per-Day (mean)	$93



SOURCE: OTTI, U.S. Department of Commerce